This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Tilla 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law. NO DISSEM ABROAD CONTROLLED DISSEM COUNTRY Bolivia REPORT NO. Threats to Barrientos Regime SUBJECT DATE DISTR. 10 Jan 68 NO. PAGES REFERENCES 16994-7-DATE OF INFO. PLACE & DATE ACQ THIS IS UNEVALUATED INFORMATION SOURCE 1. Though President Rene Barrientos' peasant background earns him a measure of popular support, and his successful "civic action" and anti-guerrilla programs have carned him more, the stability of his regime rests on his close ties with the military. In addition to the military, two other power institutions exist in the country -- the educational structure and organized labor. A successful effort to dislodge Barrientos must have the support of one or more of these power institutions. The political parties as such cannot challenge the government. At best, they can only form loose alliances to support or represent one of the power institutions. Any such political coalition will probably have to have the support of Victor Paz Estenssoro, MNR leader no , in exile in Peru. Paz has many adherents in La Paz, including an armed civilian militia. To depose Barrientos, Paz is prepared to ally the MNR with the Falange, the Communist Party of Bolivia, the Trotsky-ite Revolutionary Workers Party, leftist university organizations and dissident labor groups, particularly the textile workers. 3. Organized labor, having the most grievances, can be persuaded most easily to move against Barrientos. It is still smarting from the defeats suffered in May 1965 and June 1967 when Barrientos suppressed the disorders at the mines with military force. More recently, labor is fuming because Barrientos refused to grant pay increases in the nationalized mines and discharged many unneeded workers. The group most likely to challenge Barrientos is the volatile melange of university students and professors. Organized nationally, students have a tradition of supporting idealistic and patriotic causes. They are quickly inflamed by an emotional speech and easily pursuaded to take to the streets. A spark of protest in one area frequently lights a fire which sweeps the 5. Student leadership is anti-Barrientos and anti-US because the US supports Barrientos. It is leftist and becoming more so. Conservative students are convinced that Barrientos is surreptitiously supporting the election of prominent leftists in the student organizations for his own devious ends. Having attained supremacy over labor and broken the back of the guerrilla Yes C-O-N-F-I-D-E-N-T

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movement -- acts which gained him much public favor -- Barrientos is preparing to assault the last bastion of opposition, the universities. To prepare the way, he must paint the student leadership in radically leftist colors and align this leadership with the discredited guerrillas.

- 6. The university groups, peasants and labor have agreed in writing to support each other in making demands on the government. Since the peasants lack cohesion, and labor is effectively controlled by the military, only the university groups can give voice to demands for more social benefits. But Barrientos is unable to provide increased benefits at this time. If a series of student protests occurs in support of increased benefits, and if the protests are led by prominent leftist student lenders, Barrientos will undoubtedly use the occasion to destroy the influence of the educational groups.
- Fernando <u>Diaz</u> de Medina is Barrientos' principal advisor on handling the university power structure. In addition to being a noted author, Diaz is a political opportunist and a member of Barrientos' cabinet without portfolio.

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